

**REGULAR MEETING OF
BELMONT REDEVELOPMENT AGENCY**

Tuesday, October 12, 2004

CALL TO ORDER 7:50 P.M.

ROLL CALL

Directors Present: Mathewson, Warden, Feierbach, Bauer, Metropulos

Directors Absent: None

Staff Present: Interim Executive Director Rich, City Attorney Savaree, Community Development Director Ewing, Public Works Director Davis, Agency Secretary Cook.

ITEMS APPROVED ON CONSENT CALENDAR

Approval of Minutes of the Regular Meeting of September 14, 2004.

Approval of Resolution 419 Approving payment of Passthrough funds from RDA Capital Project Funds.

Approval of Motion Accepting Financial Statement for the City of Belmont Redevelopment Agency FY 03-04

ACTION: On a motion by Director Bauer, seconded by Director Mathewson, the Consent Calendar was unanimously approved by a show of hands.

ADDITIONAL BUSINESS

Resolution of the Belmont Redevelopment Agency approving a modification to the Existing Homebuyers Assistance Program

Community Development Director Ewing stated that the use of low-to-moderate income housing funds in R-3 and R-4 zones outside of the Redevelopment Area are not in conflict with the policies set out in Belmont's General Plan housing element. He added that the State allows this use since spending low-to-moderate income monies outside the boundaries has a benefit to the Redevelopment Area. He noted that the resolution provided with the staff report does not include a provision for the use of the funds outside the Area, but could be amended to include this provision.

Councilmember Warden stated that when the program was initiated, housing costs were high, and there was no anticipation that anyone would qualify for a home outside the Redevelopment Area. A loan was then made for one home using the bulk of the program funding. He noted that there is now enough

housing stock available in the Redevelopment Area, and would support restricting it to just that area for the future. He added that his goal is to fund as many loans as possible.

Councilmember Feierbach stated she supported the restriction to the Redevelopment Area.

Councilmember Mathewson stated he supported the use of the monies in the R-3 and R-4 zones outside of the Redevelopment Area, but could support the restriction to use in the RDA only.

Mayor Metropulos agreed with the intent to fund more loans.

ACTION: On a motion by Councilmember Mathewson, seconded by Councilmember Feierbach, Resolution 420, including the restriction to the use of funds in the Redevelopment Area only, was approved by a show of hands (4-1, Bauer no).

Discussion and Direction on Request for Additional Funding for Mental Health Association of San Mateo County's Belmont Apartments, 800 F Street

Community Development Director Ewing stated that Mental Health Association received an initial grant from the Redevelopment Agency for the funding of building fees in an amount not to exceed \$250,000. He clarified that the original grant allowed only for the funding of fees payable to the City of Belmont. He noted that connection to San Carlos's sewer system would be closer to the project site, at a cost of \$40,000. He stated that total construction costs for this project were now estimated to be \$250,000 over the original estimate, and that \$1.4 million remained undesignated in the Redevelopment Agency funds.

In response to Director Warden, Public Works Director Davis clarified that the connection fee for Belmont is estimated to be approximately \$43,000, and an additional pump station would be required, since the Belmont connection is uphill from the project.

Director Mathewson stated that additional funds might be needed for a housing project at the Old City Hall site, as well as the Emmett House.

Community Development Director Ewing responded that the State desires that low-to-moderate income funds be spent, and noted that new monies are forthcoming for the fund.

In response to Director Bauer, he clarified that if sites owned by the low-to-moderate income (LMI) fund were not used for housing, the LMI fund would need to be repaid at current market value.

Melissa Platte, Mental Health Association, stated that the City of Belmont's support made this project possible. She described the difficulties regarding the allocation of Proposition 46 funding. She noted that since this program was new, the State was setting policy as the dollars were being allocated. She clarified that reserve funds, as well as funding for a site coordinator, were to be provided, but was now disallowed by the Federal Home Loan program. She noted that this project would provide affordable housing for 24 people.

In response to Director questions, Ms. Platte responded that an application in the amount of \$227,000 was being made to the County, which represents the shortfall, and if not granted, other funds would be sought. She also responded that Mental Health Associates had not sought funding from San Carlos, as it was unclear whether San Carlos would fund a project outside its city limits. She clarified that interest is accruing on the loan, and repayment is due in June of 2005.

Director Feierbach stated she was concerned about using more Redevelopment funds for this project, since there are other projects forthcoming.

Director Warden stated he wants to support this project, but shares Director Feierbach's concerns. He noted that he could not support an additional grant, since there have been difficulties with other grants. He suggested the possibility of a low-cost loan, secured by a lien on the property, similar to the Homebuyer's program, which would protect all interests.

Director Mathewson suggested postponing this item for additional information. Community Development Director Ewing stated that staff would need time to gather the information, and this item would likely be agendaized at the Redevelopment Agency's December meeting.

ADJOURNMENT at this time, being 8:25 P.M.

Meeting tape-recorded and videotaped
Tape No. 591

Terri Cook
Agency Secretary